

## SECTION XV

### LIABILITY AND CLAIMS

15.1. For liability arising out of, or in connection with, activities undertaken in the performance of official duty in the execution and for the benefit of the Program, the following provisions will apply:

15.2. Each Participant waives all claims against the other Participants in respect to damage caused to its military or civilian personnel or damage caused to its property by personnel or agents (which do not include contractors) of another Participant. If however, such damage results from reckless acts or reckless omissions, willful misconduct or gross negligence of a Participant, its personnel or agents, the costs of any liability will be borne by that Participant alone.

15.3. Claims from third parties for damage of any kind caused by one of the Participants' personnel or agents will be processed by the most appropriate Participant, as determined by the Participants. The cost incurred in satisfying such claims will be borne by the Participants in the same percentage as they share the shared costs of the Project. If however, such liability results from the reckless acts or reckless omissions, willful misconduct or gross negligence of a Participant's personnel or agents, the costs of any liability will be borne by that Participant alone.

15.4. In the case of damage caused to or by jointly acquired property of the PA Participants, where the cost of making good such damage is not recoverable from other persons, such cost will be borne by the PA Participants in the same percentage as they share the shared costs of the Project.

15.5. Claims arising under any Contract awarded pursuant to Section VIII (Contracting Provisions) will be resolved in accordance with the provisions of the Contract. The PA Participants will not indemnify Contractors against liability claims by any other person or entity. However, in exceptional circumstances (e.g., involving certain nuclear activity or other unduly hazardous activity where the cost of insurance is excessively high) the Participants may consider whether to indemnify Contractors against liability claims by any other person or entity.

## SECTION XVI

### ADDITION OF NEW PARTICIPANTS

- 16.1. It is recognized that potential additional participants may wish to join the MOU.
- 16.2. Unanimous consent of the Participants will be required to conduct discussions with potential additional participants. The Participants will discuss the arrangements and formulate the provisions under which additional participants might join. This will require an amendment to this MOU by the Participants.

## SECTION XVII

### CUSTOMS DUTIES, TAXES, AND SIMILAR CHARGES

17.1. Insofar as existing laws and regulations of the PA Participants permit, the PA Participants will endeavour to ensure that readily identifiable taxes, customs duties and similar charges or quantitative/qualitative restrictions on imports and exports will not be imposed in connection with this MOU and associated PAs.

17.2. The PA Participants concerned will endeavour to ensure that such taxes, customs duties and similar charges from which relief is available as aforesaid do not enter into the price of information or materials produced under this MOU and associated PAs. The PA Participants will administer such taxes, customs duties and similar charges in the manner most favorable to the satisfactory execution of the arrangements described in this MOU and associated PAs.

17.3. If taxes, customs duties, or similar charges are levied, they will be borne by the PA Participant of the country in which they are levied as a cost to that PA Participant over and above that PA Participant's shared costs of the PA.

17.4. If, in order to apply European Union (EU) regulations, it is necessary to levy duties, then these will be met by the EU member end recipient. To this end, parts or components of the equipment coming from outside the EU will proceed to their final destination accompanied by the relevant customs document enabling settlement of duties to take place. The method of apportionment of such duties between EU member PA Participants will be decided by consultation. They will be levied as a cost over and above the relevant EU PA Participant's shared costs of the PA.

## SECTION XVIII

### SETTLEMENT OF DISPUTES

Disputes among the Participants arising under or relating to this MOU and associated PAs will be resolved only by consultation among the Participants and will not be referred to a national court, an international tribunal, or to any other person or entity for settlement.

## SECTION XIX

### GENERAL PROVISIONS

19.1. The working language for this MOU and associated PAs will be the English language.

19.2. All data and information generated and provided under this MOU and associated PAs by one Participant to another Participant will be furnished in the English language.

19.3. All activities of the Participants under this MOU will be carried out in accordance with their national laws. The responsibilities of the Participants will be subject to the availability of funds for such purposes.

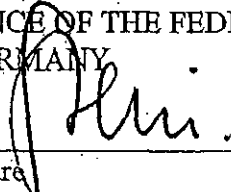
## SECTION XX

### AMENDMENT, WITHDRAWAL, TERMINATION, ENTRY INTO EFFECT, AND DURATION

- 20.1. This MOU may be amended by written amendment signed by the Participants. A PA under this MOU may be amended by written amendment signed by the PA Participants.
- 20.2. Any MOU Participant may withdraw from this MOU upon 90 days written notification to the other MOU Participants. Such notice will be the subject of immediate consultation by the SMCC, to decide upon the appropriate course of action.
- 20.3. Any PA Participant may withdraw from a PA under this MOU upon 90 days written notification to the other PA Participants. Such notice will be the subject of immediate consultation by the PA SMCC, to decide upon the appropriate course of action.
- 20.4. A withdrawing MOU or PA Participant will meet in full its commitments, financial or otherwise, up to the end of the effective date of withdrawal. A withdrawing PA Participant will pay any Contract modification or termination costs incurred under Contracts for the PA that would otherwise not have been incurred but for the decision to withdraw from this MOU or PA. However, the total financial contribution by any withdrawing PA Participant, including Contract modification or termination costs, will in no event exceed the amount the withdrawing PA Participant would have contributed had it remained in this MOU and associated PAs.
- 20.5. This MOU may be terminated at any time upon the unanimous written consent of the Participants. In the event the Participants consent to terminate this MOU, the Participants will consult prior to the date of termination to ensure termination on the most economical and equitable provisions. Upon termination of this MOU all PAs automatically terminate.
- 20.6. PAs under this MOU may be terminated at any time upon the unanimous written consent of the PA Participants. In the event the PA Participants consent to terminate a PA, the PA Participants will consult prior to the date of termination to ensure termination on the most economical and equitable provisions.
- 20.7. The respective benefits and responsibilities of the MOU and PA Participants regarding Section IX (Project Equipment), Section X (Disclosure and Use of Project Information), Section XI (Controlled Unclassified Information), Section XIII (Security), Section XIV (Third Party Sales and Transfers), and Section XV (Liability and Claims), and this Section XX (Amendment, Withdrawal, Termination, Entry into Effect, and Duration) will continue to apply notwithstanding termination of, withdrawal from or expiration of this MOU and associated PAs.
- 20.8. This MOU, which consists of 20 Sections and two Annexes, will enter into effect upon signature by all Participants and will remain in effect for 25 years. It may be extended by written consent of the Participants.

DONE in the English language. The foregoing represents the understandings reached among the Participants. Signed by the authorized representative of the Participants.

FOR THE FEDERAL MINISTRY OF  
DEFENCE OF THE FEDERAL REPUBLIC  
OF GERMANY

  
\_\_\_\_\_  
Signature

Harald Stein  
Name

Vicepresident  
Title

20.10.2004  
Date

Bw.B - Koblenz  
Location

DONE in the English language. The foregoing represents the understandings reached among the Participants. Signed by the authorized representative of the Participants.

FOR THE MINISTER OF DEFENCE OF  
THE KINGDOM OF THE NETHERLANDS



Signature

RADM P.S. Bedet

Name

Chief of Naval Materiel

Title

21 October 2004

Date

The Hague, The Netherlands

Location



DONE in the English language. The foregoing represents the understandings reached among the Participants. Signed by the authorized representative of the Participants.

FOR THE MINISTER OF NATIONAL  
DEFENCE OF CANADA

*R. Westwood*

Signature

R. Westwood, Commodore

Name

Director General, Maritime Equipment  
Program Management

Title

*15 Nov 04*

Date

*Halifax, PE*

Location

DONE in the English language. The foregoing represents the understandings reached among the Participants. Signed by the authorized representative of the Participants.

FOR THE DEPARTMENT OF DEFENSE  
OF THE UNITED STATES OF AMERICA

  
Signature

John J. Young, Jr.

Name

Assistant Secretary of the Navy (Research,  
Development, and Acquisition)

Title

3 Dec 2004

Date

Washington, DC

Location

*ANNEX A*

*SAMPLE PROJECT ARRANGEMENT*

PROJECT ARRANGEMENT NO. \_\_\_\_\_ \*

TO THE

STANDARD MISSILE UPGRADES AND IMPROVEMENTS  
MEMORANDUM OF UNDERSTANDING

DATED \_\_\_\_\_

BETWEEN

THE MINISTER OF NATIONAL DEFENCE OF CANADA

AND

THE FEDERAL MINISTRY OF DEFENCE OF THE FEDERAL REPUBLIC OF GERMANY

AND

THE MINISTER OF DEFENCE OF THE KINGDOM OF THE NETHERLANDS

AND

THE DEPARTMENT OF DEFENSE OF THE UNITED STATES OF AMERICA

CONCERNING

(FULL DESIGNATION OF THE PROJECT)

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## SECTION I

### INTRODUCTION

This Project Arrangement concerning (name of Project) is entered into pursuant to the Memorandum of Understanding (MOU) among the Minister of National Defence of Canada, the Federal Ministry of Defence of the Federal Republic of Germany, the Minister of Defence of the Kingdom of the Netherlands, and the Department of Defense of the United States of America, for STANDARD Missile Upgrades and Improvements (Short Title: STANDARD Missile U&I MOU) of \_\_\_\_\_.

## SECTION II

### DEFINITION OF TERMS AND ABBREVIATIONS

(Define only those terms used in this PA that have not been defined in the STANDARD Missile U&I MOU.)

## SECTION III

### OBJECTIVES

The objectives of this \_\_\_\_\_ PA are:

- a. the development of \_\_\_\_\_  
\_\_\_\_\_
- b. the improvement of \_\_\_\_\_  
\_\_\_\_\_

## SECTION IV

### SCOPE OF WORK

The following work will be undertaken under this PA.

- a. Develop \_\_\_\_\_  
\_\_\_\_\_
- b. Evaluate \_\_\_\_\_  
\_\_\_\_\_
- c. Design, fabricate and test \_\_\_\_\_  
\_\_\_\_\_

## SECTION V

### SHARING OF TASKS (ROLES AND RESPONSIBILITIES)

The sharing of tasks will be as follows:

- a. The U.S. DoD will \_\_\_\_\_  
\_\_\_\_\_
- b. The MoD of Germany will \_\_\_\_\_  
\_\_\_\_\_
- c. The MoD of The Netherlands will \_\_\_\_\_  
\_\_\_\_\_
- d. The MoD of Canada will \_\_\_\_\_  
\_\_\_\_\_
- e. DoD and (applicable) MoDs will jointly \_\_\_\_\_  
\_\_\_\_\_

## SECTION VI

### BREAK DOWN AND SCHEDULE OF TASKS

(Use this format when the tasks covered under this Project may be performed using multiple phases, requiring milestones or decision points.)

The Project will proceed according to the following phases and schedule:

<u>Phase 1</u>	<u>Start</u>	<u>End</u>
Description of Phase 1	MM/DD/YY	MM/DD/YY

(Milestone 1) (e.g., Transmittal of Feasibility Report)

<u>Phase 2</u>	<u>Start</u>	<u>End</u>
Description of Phase 2	MM/DD/YY	MM/DD/YY

(Milestone 2) (e.g., Decision to proceed to Phase 3)

<u>Phase 3</u>	<u>Start</u>	<u>End</u>
Description of Phase 3	MM/DD/YY	MM/DD/YY

(Milestone 3) (e.g., Evaluation, analysis of results)

(Add as many phases as necessary.)